

1998 SMALL BUSINESS PROFILE

SMALL BUSINESS: HEART OF THE OKLAHOMA ECONOMY

The importance of small business to the state of Oklahoma is apparent in the 1998 Small Business Profile. This year's findings, compiled by the U.S. Small Business Administration's (SBA) Office of Advocacy, indicate that small businesses are vital to the state's economy. Not only do small businesses play a critical role by efficiently reallocating the state's resources and injecting new ideas into the economy with business starts and stops, but their diversity and composition provide the work force with many opportunities.

Number of Businesses - In 1997, Oklahoma had 72,648 businesses with employees; 97.6 percent of the businesses were small businesses (percent based on 1995 data for businesses with fewer than 500 workers). In addition to the number of employer businesses, the state also had 161,000 self-employed persons in 1997.

Small Business Income - The income of sole proprietors and partners rose 2.0 percent to \$5.8 billion in 1997, while wage-and-salary income rose 5.3 percent. The state also exported \$2.7 billion of goods in 1997. (In 1992, 77.2 percent of the exporters in the state were small businesses.)

Women-Owned Businesses - According to The National Foundation for Women Business Owners, as of 1996, there were nearly 106,900 women-owned businesses in Oklahoma, including part-time firms, employing 194,500 people and generating \$23.4 billion in sales. Between 1987 and 1996, the number of women-owned businesses increased 54.3 percent.

Minority Businesses - According to the latest Bureau of the Census data, the number of black-owned firms, including part-time firms, increased 33.5 percent from 1987 to 1992, totaling 4,621 in 1992. The number of Hispanic-owned firms, including part-time businesses, rose 88.3 percent during the same time period with 2,854 firms in 1992. There has also been a marked increase in the number of businesses owned by Asian and Pacific Islanders, American Indians, and Alaskan Natives. The number for this group grew from 3,751 in 1987, to 5,627 in 1992, representing a 50.0 percent increase.

Business Turnover - Between 1996 and 1997, the number of new firms increased 2.3 percent, while new business incorporations increased 0.7 percent. Financial difficulties leading to business bankruptcies decreased by 1.4 percent and business failures decreased by 0.9 percent.

Finance - An SBA Office of Advocacy study found that the number of banks in Oklahoma decreased from 356 in 1994 to 326 in 1997. The study also found the top lenders to small businesses in FY 1997 were:

Bank Name	Location
BANK OF WESTERN OK	Elk City
BANK OF CUSHING & TC	Cushing
LANDMARK BK CO NA	Madill
FIRST B&TC	Wagoner
MCCURTAIN CTY NB	Idabel
BANK OF KREMLIN	Kremlin
DURANT B&TC	Durant
FIRST UNITED BK&TC	Holdenville
FIRST NB&TC	Chickasha
FIRST B&TC	Duncan
STILLWATER NB&TC	Stillwater
BANCFIRST	Oklahoma City

Small businesses seeking loans should also consider banks that participate in SBA loan programs. To locate an SBA preferred or certified lender near you, call 1-800-8-ASK-SBA.

Job Growth - From 1992 to 1996, small businesses (fewer than 500 employees) created all of the net new jobs. The figures below indicate the importance of small businesses as job creators.

Number of Jobs Created by Major Industry and Employment Size of Firm, 1992-1996

Industry	1-4	5-19	20-99	100-499	500+	Totals
All Industries	34,876	22,529	20,221	12,761	(5,365)	85,023
Manufacturing	1,000	2,435	2,878	3,414	(12,709)	(2,984)
Retail Trade	7,352	1,427	4,670	4,707	2,058	20,214
Services	20,134	14,142	13,507	8,077	(20,876)	34,984
Other	6,389	4,526	(832)	(3,436)	26,163	32,809

Industries - Small firms in the state are represented in many industries. The Health Services industry is the largest small business employer in Oklahoma, followed by Eating & Drinking Places. The fastest growing industry for small business is Paper & Allied Products (represents industries that were at least 0.25

percent of the 1995 total). The following three tables provide information about the small business sector in the state.

Table 1, Top Five Industries by Employment, 1995

Industry	SIC	Total Empl.	Percent of total	Percent small
Total - All Industries	1	1,055,139	100.0	58.7
Health Services	8000	131,708	12.5	53.4
Eating & Drinking Places	5800	90,568	8.6	63.3
Business Services	7300	60,251	5.7	52.5
Wholesale Trade - Durable Goods	5000	39,606	3.8	74.8
Food Stores	5400	35,973	3.4	53.6

Table 2, Top Small Business Industries by Employment, 1995

Industry	SIC	Small Bus. Empl.	Percent of total	Percent Small
Total - All Industries	1	619,734	100.0	58.7
Health Services	8000	70,273	12.5	53.4
Eating & Drinking Places	5800	57,357	8.6	63.3
Business Services	7300	31,627	5.7	52.5
Membership Organizations	8600	30,379	2.9	98.7
Wholesale Trade - Durable Goods	5000	29,626	3.8	74.8

Table 3, Fastest Growing Industries in Employment for Small Business, 1994 - 1995

Industry	SIC	Small Bus. Empl. 1995	Net change	Percent change
Total - All Industries	1	619,734	19,507	3.1
Paper & Allied Products	2600	1,048	349	33.3
Holding & Other Investment Offices	6700	1,957	468	23.9
Transportation By Air	4500	1,517	330	21.8
Transportation Equipment	3700	4,925	831	16.9
Meas., Anal., Cntr. Instr. & Photo., Med. & Opt.	3800	1,942	308	15.9

Sources: Office of Advocacy, U.S. Small Business Administration from data provided by the Department of Commerce, Department of Labor, Administrative Office of the U.S. Courts, Federal Reserve Board, Dun & Bradstreet Corporation, National Foundation for Women Business Owners, and Cognetics, Inc.